



**Testimony of Joseph S. Testa
Vice President, State Government Affairs
American Express**

In opposition to Senate Bill 912, An Act Concerning Prepaid Cards

**Banks Committee
March 5, 2013**

Raised Bill 912 proposes numerous mandates on issuers of general purpose reloadable (GPR) prepaid cards. Some of these proposed mandates are impractical and needlessly burdensome:

- Raised Bill 912 directs GPR card issuers to provide services to account holders through use of a financial account that is “linked” to the prepaid card.
- This set of requirements is fundamentally flawed. Many of the most popular, innovative, and consumer friendly GPR prepaid cards are not issued by a bank or otherwise “linked” to a separate financial account.
- The American Express Prepaid Card is a non-bank prepaid product that is very consumer friendly. It has NO FEES for activation, monthly service, maintenance, balance inquiries, alerts, card replacement, foreign currency conversion or loading via bank account. Funds on the card do not expire, and if lost or stolen, the card can be replaced at no cost to the cardholder. The card also comes loaded with benefits and services.
- Other requirements of Raised Bill 912 also are problematic. For instance, in the payments marketplace today, it is not standard practice or operationally feasible to allow consumers to set the expiration date on the device used to access funds on their prepaid card.

American Express is concerned that the requirements in Raised Bill 912 could prevent us from offering our innovative and customer-friendly GPR prepaid products to Connecticut consumers. We respectfully urge defeat of this legislation.